

Message Text

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PAGE 01 MONTEV 01534 221256Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 STR-04 IO-13 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15

ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01

/107 W

-----230230Z 066067 /72

R 221132Z APR 77

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 3695

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E.O. 11652: N/A

TAGS: ETRD, UY

SUBJ: GSP: FIRST YEAR REVIEW

REF: (A) STATE 067507, (B) MONTEVIDEO 089

(C) BURSON LETTER, MARCH 28, 1977

1. REPLY TO REFTEL (A) DELAYED BY LONG LOCAL EASTER HOLIDAYS.

2. URUGUAY TRADE WITH US FOR PAST TWO YEARS WAS AS FOLLOWS:

	1975	1976
EXPORTS FOB	\$25.9	\$60 PLUS (APPROX.)
IMPORTS CIF	\$53.5	\$60 PLUS (APPROX.)
VALUE OF GSP-BENEFITTING		
ITEMS EXPORTED	\$12.2	\$29.8
UTILIZATION OF GSP BENEFITS:	92.3 PERCENT	

3. TAKING REF (A) QUESTIONS IN ORDER, THE FOLLOWING POINTS DESCRIBE URUGUAYAN EXPERIENCE WITH GSP IN ITS FIRST YEAR:

A. THE GOU HAS ENCOUNTERED NO SIGNIFICANT PROBLEMS WITH THE GSP SYSTEM.

B. INCREASE IN TOTAL EXPORTS TO US AND ALSO INCREASE IN

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PAGE 02 MONTEV 01534 221256Z

GSP-BENEFITTING ITEMS ARE HIGHLY FAVORABLE DEVELOPMENTS FOR URUGUAY. NEITHER GOU NOR EMBASSY WILL ATTRIBUTE MAJOR PART OF INCREASE TO SPECIFIC GSP BENEFITS BUT BOTH AGREE THAT GSP ADDED SIGNIFICANT BOOST TO SALES WHICH BASICALLY WERE PRODUCED BY RISING MARKETS AND SUCCESSFUL EXPORT PROMOTION.

C. CONSIDERABLE EXPANSION OF PRODUCTIVE CAPACITY HAS TAKEN PLACE TO SUPPORT SALES OF PRINCIPAL GSP ITEM, LEATHER

WEARING APPAREL.

D. NONE OF THE RELATIVELY MAJOR EXPORT PRODUCTS WHICH HAVE SEEN INCREASED SALES TO US ARE PRODUCTS WHICH HAD NOT BEEN PRODUCED AND/OR EXPORTED BY URUGUAY BEFORE THE INAUGURATION OF GSP.

E. US EXPORTS TO URUGUAY ARE INCREASING RAPIDLY AND AT LEAST SEVERAL FIRMS THAT WE KNOW OF HAVE MADE PURCHASES OF US MACHINERY BASED UPON THEIR PLANS FOR INCREASING GSP EXPORTS TO THE US (E.G., PROCESSED FISH AND CORNED BEEF).

F. SINCE URUGUAY SHOWS A RECORD OF NEARLY TOTAL UTILIZATION OF GSP BENEFITS WHERE AVAILABLE, THE SMALL (7 PERCENT) NON-UTILIZATION NEED NOT BE OF CONCERN AND IS PROBABLY ATTRIBUTABLE TO ERRORS, IGNORANCE OF THE PROGRAM, AND INCIDENTAL REASONS.

4. THE GOU HAS APPRECIATED THE EXTENSION OF GSP BENEFITS AND, IN A PRESS CONFERENCE CALLED SPECIFICALLY TO DESCRIBE URUGUAY'S FAVORABLE UTILIZATION OF IT, MADE PUBLIC ITS APPRECIATION WITH PARTICIPATION OF OFFICERS FROM THE EMBASSY. (SEE REFTTEL B). GOU WAS ESPECIALLY APPRECIATIVE OF US DECISION TO LEAVE ONE OF ITS LEADING NEW EXPORTS - LEATHER-WEARING APPAREL -- ON THE GSP LIST.
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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